

**FCC REPORT TO CONGRESS  
AS REQUIRED BY THE ORBIT ACT  
FIFTEENTH REPORT**

**Adopted: June 9, 2014**

**Released: June 11, 2014**

By the Commission: Commissioner Pai issuing a separate statement.

**FCC REPORT TO CONGRESS AS REQUIRED BY THE ORBIT ACT**  
**FIFTEENTH REPORT**

This report is submitted in accordance with the requirements of the Open-Market Reorganization for the Betterment of International Telecommunications Act (the “ORBIT Act” or “Act”)<sup>1</sup> which has an objective of ensuring that INTELSAT and Inmarsat are privatized in a pro-competitive manner. To this end, the Act requires the submission of annual reports to Congress as noted below.

Section 646 states:

(a) ANNUAL REPORTS - The President and the Commission shall report to the Committees on Commerce and International Relations of the House of Representatives and the Committees on Commerce, Science, and Transportation and Foreign Relations of the Senate within 90 calendar days of the enactment of this title, and not less than annually thereafter, on the progress made to achieve the objectives and carry out the purposes and provisions of this title. Such reports shall be made available immediately to the public.

(b) CONTENTS OF REPORTS - The reports submitted pursuant to subsection (a) shall include the following:

- (1) Progress with respect to each objective since the most recent preceding report.
- (2) Views of the Parties with respect to privatization.
- (3) Views of the industry and consumers on privatization.
- (4) Impact privatization has had on United States industry, United States jobs, and United States industry’s access to the global marketplace.<sup>2</sup>

**I. Progress as to Objectives and Purposes Since the *Fourteenth ORBIT Act Report***

**A. Background**

The purpose of the ORBIT Act is “to promote a fully competitive global market for satellite communication services for the benefit of consumers and providers of satellite services and equipment by fully privatizing the intergovernmental satellite organizations, INTELSAT<sup>3</sup> and Inmarsat.”<sup>4</sup>

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<sup>1</sup> Open-Market Reorganization for the Betterment of International Telecommunications Act, Pub. L. No. 106-180, 114 Stat. 48 (2000), *as amended*, Pub. L. No. 107-233, 116 Stat. 1480 (2002) (codified at 47 U.S.C. § 701 *et seq.*).

<sup>2</sup> 47 U.S.C. § 765(e).

<sup>3</sup> The intergovernmental satellite body INTELSAT later created Intelsat LLC, a privately-held U.S. corporation that became the licensee of satellite assets formerly held by INTELSAT. As a result of an internal reorganization consummated in January 2011, Intelsat LLC was eliminated as a subsidiary company, and the majority of licenses are now held by Intelsat License LLC.

<sup>4</sup> 47 U.S.C. § 761.

The ORBIT Act, as originally passed in 2000, (1) mandates the privatization of INTELSAT and Inmarsat, (2) establishes criteria to ensure a pro-competitive privatization, (3) requires the Commission to determine whether INTELSAT, Inmarsat, and the INTELSAT spin-off New Skies Satellites N.V. (New Skies), have been privatized in a manner that will harm competition in the United States, (4) requires the Commission to use the privatization criteria specified in the ORBIT Act as a basis for making its competition determination, and (5) directs the Commission to “limit through conditions or deny” applications or requests to provide “non-core” services to, from, or within the United States, if it finds that competition will be harmed.<sup>5</sup> The Act provides for certain exceptions to limitations on non-core services in the event of such a determination. The Act also prohibits the Commission from authorizing certain “additional” services pending privatization consistent with the criteria in the Act.<sup>6</sup> In addition, the Act directs the Commission to undertake a rulemaking proceeding to assure users in the United States the opportunity for direct access to the INTELSAT system.

Intelsat privatized and became a U.S. licensee as of July 18, 2001, transferring its assets to a commercial corporation.<sup>7</sup> In October 2004, Congress amended the ORBIT Act, adding Sections 621(5)(F) and (G), to provide a certification process as an alternative to the initial public offering (IPO) requirements under Sections 621(5)(A) and (B).<sup>8</sup> In July 2005, Congress further amended the ORBIT Act, striking certain privatization criteria for INTELSAT separated entities, removing certain restrictions on separated entities and successors to INTELSAT and for other purposes.<sup>9</sup> Congress also added a requirement that the Commission submit to Congress a separate annual report that analyzes the competitive market conditions with respect to domestic and international satellite communications services (*Satellite Competition Report*).<sup>10</sup>

The Commission made its first annual report to Congress on its actions to implement the ORBIT Act on June 15, 2000, following enactment of the Act on March 17, 2000, and submitted additional

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<sup>5</sup> The Act defines “non-core” services as “services other than public-switched network voice telephony and occasional-use television” with respect to INTELSAT, and as “services other than global maritime distress and safety services or other existing maritime or aeronautical services for which there are not alternative providers” with respect to Inmarsat. 47 U.S.C. § 769(a)(11).

<sup>6</sup> The Act defines “additional” services as direct-to-home or direct broadcast satellite video services, or services in the Ka-or V-bands for INTELSAT and as “those non-maritime or non-aeronautical mobile services in the 1.5 and 1.6 GHz band on planned satellites or the 2 GHz band” for Inmarsat. 47 U.S.C. § 769(a)(12).

<sup>7</sup> As a result of privatization, and pursuant to international agreement, an intergovernmental organization known as the International Telecommunications Satellite Organization (ITSO) was created. ITSO, through a “Public Services Agreement” with Intelsat, monitors the performance of the company’s public service obligations to maintain global connectivity and global coverage, provide non-discriminatory access to the system, and honor the lifeline connectivity obligation to certain customers, specifically, those customers in poor or underserved countries that have a high degree of dependence on Intelsat. See *INTELSAT Assembly of Parties Record of Decisions of the Twenty-Fifth (Extraordinary) Meeting*, AP-25-3E FINAL W/11/00, at ¶¶ 6-8 (Nov. 27, 2000). Under these commitments, the privatized Intelsat has made capacity available to lifeline users at fixed pre-privatization costs for approximately 12 years. ITSO has no operational or commercial role.

<sup>8</sup> Pub. L. No. 108-228, 118 Stat. 644 (2004), as amended, Pub. L. No. 108-371, 118 Stat. 1752 (Oct. 25, 2004).

<sup>9</sup> Pub. L. No. 109-34, 119 Stat. 377 (July 12, 2005).

<sup>10</sup> The most recent satellite competition report was released on December 13, 2011. *Third Report and Analysis of Competitive Market Conditions with Respect to Domestic and International Satellite Communications Services*, IB Docket No. 09-16, and *International Satellite Communications Services and Report and Analysis of Competitive Market Conditions with Respect to Domestic and International Satellite Communications Services*, IB Docket No. 10-99, Third Report, 26 FCC Rcd 17284 (2011) (*Third Satellite Competition Report*).

reports every year since.<sup>11</sup> Notably, we acknowledged in several Orbit Act Reports that INTELSAT and Inmarsat successfully transitioned from intergovernmental organizations to fully privatized entities.

In anticipation of this fifteenth report, the Commission issued a Public Notice on February 12, 2014, inviting comments related to the development of this Report.<sup>12</sup> Intelsat License LLC<sup>13</sup> (Intelsat) and Inmarsat PLC (Inmarsat)<sup>14</sup> filed comments.

## B. Commission Actions and Activities

The Commission has taken the following actions since the *Fourteenth ORBIT Act Report* to ensure that INTELSAT, Inmarsat and New Skies remain privatized in a pro-competitive manner, consistent with the privatization criteria of the ORBIT Act.<sup>15</sup>

### *Intelsat*

- On November 14, 2013, the Commission granted a *pro forma* transfer of control of international Section 214 authorizations held by Intelsat USA License LLC and Intelsat General Corporation to Intelsat Global Holdings S.A.<sup>16</sup>
- Pursuant to U.S. obligations as the notifying administration to the International Telecommunication Union (ITU)<sup>17</sup> for Intelsat's Fixed Satellite-Service (FSS) C-and Ku-band space station networks transferred at privatization, the Commission has participated in a number of international satellite coordination negotiations as the licensing Administration for Intelsat. Since the *Fourteenth ORBIT Act Report*, the Commission has participated in coordination meetings with the United Kingdom, Japan, and Russia on behalf of Intelsat and a number of other U.S. licensees.
- The United States has a separate process whereby U.S. operators may reach operational arrangements with operators of other Administrations. These operational arrangements are then submitted to the operators' respective Administrations for approval. Once approved by both Administrations, the operational arrangements become, or form the basis for, a coordination agreement between the Administrations under the ITU procedures. Since the *Fourteenth ORBIT Act Report*, Intelsat has concluded operational arrangements with operators licensed by Bolivia, Japan, Papua New Guinea, Russia, and the United Kingdom.

<sup>11</sup> See, e.g., *FCC Report to Congress as Required by the ORBIT Act*, Report, 15 FCC Rcd 11288 (2000) and *FCC Report to Congress as Required by the ORBIT Act*, Report, 28 FCC Rcd 8587 (2013) (*Fourteenth ORBIT Act Report*).

<sup>12</sup> *International Bureau Information: Report to Congress Regarding the ORBIT Act*, IB Docket No. 14-13, Public Notice, 29 FCC Rcd 868 (Int'l Bur., 2014).

<sup>13</sup> Comments of Intelsat License LLC, filed on Mar. 12, 2014 (Intelsat Comments).

<sup>14</sup> Comments of Inmarsat PLC, filed on Mar. 12, 2014 (Inmarsat Comments).

<sup>15</sup> 47 U.S.C. §§ 761, 763, 763a, 763b, 763c, and 765g.

<sup>16</sup> *Intelsat USA Licensee LLC*, IBFS File No. ITC T/C 20130327-00095, *pro forma* transfer of control (grant of authority Nov. 13, 2013); *Intelsat General Corporation*, IBFS File No. ITC T/C 20130327-000094, Supplement to *pro forma* transfer of control (grant of authority Nov. 13, 2013).

<sup>17</sup> As the Notifying Administration on behalf of Intelsat, the Commission is responsible for discharging the obligation undertaken in the Constitution of the ITU, in the Convention of the ITU, and in the Administrative regulations. Article 1, Section 1.2, ITU Radio Regulations.

In due course, this process will lead to coordination agreements between the United States and the pertinent foreign Administrations.

- Since the *Fourteenth ORBIT Act Report*, Intelsat has filed a number of requests for license authorizations and modifications. The Commission has reviewed these requests and acted on them consistent with the Commission's licensing rules and processes.<sup>18</sup>

### *Inmarsat*

- In 2008, the Commission established a list of Inmarsat satellites approved to serve the United States in the L-band (the "ISAT List").<sup>19</sup> The list includes all Inmarsat satellites that have been found to meet the Commission's legal, technical, and policy requirements to access the U.S. market. As a result, earth station licensees and applicants may seek authority to communicate with all Inmarsat satellites on the ISAT List by listing "ISAT" as the point of communication, rather than having to seek authorization to communicate with Inmarsat satellites on a satellite-by-satellite and orbital-location-by-orbital-location basis. Since the *Fourteenth ORBIT Act Report*, one satellite was retired and removed from the ISAT list.<sup>20</sup>
- Inmarsat has announced a contract with Boeing to build three Inmarsat-5 satellites that will operate in the Ka-band, independent from Inmarsat's existing L-band satellites.<sup>21</sup> Inmarsat launched the first Inmarsat-5 satellite in December 2013, with the entire constellation expected to be deployed in 2014.<sup>22</sup> Inmarsat has a pending application to operate a fixed-satellite gateway earth station in Lino Lakes, Minnesota, to communicate with the Inmarsat 5F2 space station.<sup>23</sup>
- Since the *Fourteenth ORBIT Act Report*, the Commission has granted several earth station applications to communicate with Inmarsat's satellites as points of communication.<sup>24</sup>

<sup>18</sup> See, e.g., Intelsat License LLC, IBFS File No. SAT-MOD-20130819-00107, Request to extend license term of Intelsat 7 (grant of authority Mar. 20, 2014); Intelsat License LLC, IBFS File No. SAT-MOD-20130830-00110, Request to extend license term of Intelsat 8 (grant of authority Dec. 19, 2013); Intelsat License LLC, IBFS File No. SAT-LOA-20090227-00029, Request for authority to launch and operate Galaxy KA at 89.1° W.L. (grant in part/denied in part Dec. 16, 2013); Intelsat License LLC, IBFS File No. SAT-MOD-20130322-00052, Modification of operating authority for Intelsat 10 (grant of authority Oct. 23, 2013); Intelsat License LLC, IBFS File No. SAT-MOD-20120619-00100, Modify operating authority for Intelsat 8 (grant of authority Aug. 9, 2013); Intelsat License LLC, IBFS File No. SAT-AMD-20120815-00131, Amendment to modification application regarding the relocation of Intelsat 8 (grant of authority Aug. 9, 2013).

<sup>19</sup> *Inmarsat, Inc.*, Order, 23 FCC Rcd 15268 (Int'l Bur. 2008).

<sup>20</sup> Inmarsat 2F1 was retired from service in April 2013.

<sup>21</sup> Inmarsat website, "Satellites," available at [http://www.igx.com/introduction\\_to\\_satellites](http://www.igx.com/introduction_to_satellites). The term "Ka-band" generally refers to the space-to-Earth (downlink) frequencies at 17.7-20.2 GHz and the corresponding Earth-to-space (uplink) frequencies at 27.5-30.0 GHz.

<sup>22</sup> <http://www.inmarsat.com/about-us/our-satellites/global-xpress/>.

<sup>23</sup> Inmarsat Hawaii, Inc., Application for License, IBFS File No. SES-LIC-20120426-00397 (filed on Apr. 24, 2012). See also *Satellite Communications Services re: Satellite Radio Applications Accepted for Filing*, Report No. SES-01479, Public Notice (Int'l Bur., rel. Aug. 29, 2012).

<sup>24</sup> See, e.g., Astrium Services Government, Inc., Application for Modification, File No. SES-MOD-20131017-00878 (grant stamp, with conditions on Nov. 6, 2013), Inmarsat Hawaii Inc., Application for Special Temporary Authority, File No. SES-STA-20131017-00876 (grant stamp, with conditions on 11/20/2013), Astrium Services Government, Inc., Application for Modification, File No. SES-MFS-20130612-00485 (grant stamp, with condition on 1/13/2013).

### *New Skies*

- Currently, five New Skies satellites are on the C-and Ku-band Permitted List.<sup>25</sup> Earth station operators with ALSAT authority have authority to access New Skies satellites on the Permitted List.<sup>26</sup>
- An earth station must seek specific authority to communicate with a space station if the earth station does not meet the technical requirements for an ALSAT designation and/or if the earth station seeks to communicate with a satellite in frequency bands other than the conventional C-and Ku-bands. In the last year, the Commission granted numerous earth stations specific authority to communicate with a New Skies satellite.<sup>27</sup>

### *Status of COMSAT*

No updates since the *Fourteenth ORBIT Act Report*.

### *Direct Access*

No updates since the *Fourteenth ORBIT Act Report*.

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<sup>25</sup> The Permitted List denotes all satellites and services with which U.S. earth stations with “routinely” authorized technical parameters operating in the conventional C-and Ku-bands (“ALSAT” earth stations) are permitted to communicate, without additional Commission action. Those communications must fall within the same technical parameters and conditions established in the earth stations’ licenses. *Amendment of the Commission’s Regulatory Policies to Allow Non-U.S.-Licensed Space Stations to Provide Domestic International Satellite Service in the United States*, First Order on Reconsideration, 15 FCC Rcd 7207 (1999). The five New Skies satellites on the Permitted List are: NSS-7 at 20° W.L., NSS-703 at 47.05° W.L., NSS 806 at 47.5° W.L., NSS-9 at 177° W.L., and SES-6 at 40.5° W.L.

<sup>26</sup> Any of the 7104 earth stations that have ALSAT authority can communicate with New Skies satellites that appear on the Permitted List, in the conventional C-and Ku-bands, without any further authorization.

<sup>27</sup> See, e.g., Denali 20020, LLC, Application for Amendment, File No. SES-AMD-20130417-00329 (grant stamp, with conditions on June 28, 2013), Denali 20020, LLC, Application for Authority, File No. SES-LIC-20120719-00663 (grant stamp, with conditions on June 28, 2013), Denali 20020, LLC, Application for Modification, File No. SES-MFS-20121213-01093 (grant stamp, with conditions on June 28, 2013), SES Americom, Inc., Application for Authority, File No. SES-LIC-20130116-00054 (grant stamp, with conditions on July 19, 2013), Ultisat, Inc., Application for Special Temporary Authority, File No. SES-STA-20130725-00669 (grant stamp, with conditions on Aug. 7, 2013), Ultisat, Inc., Application for Special Temporary Authority, File No. SES-STA-20130725-00670 (grant stamp, with conditions on Aug. 7, 2013), Astrium Services Government, Inc., Application for Modification, File No. SES-MOD-20131017-00878 (grant stamp, with conditions on Nov. 6, 2013), SES Americom, Application for Special Temporary Authority, File No. SES-STA-20131113-00980 (grant stamp, with conditions on Nov. 15, 2013), Intelsat License LLC, Application for Modification, File No. SES-MOD-20130827-00762 (grant stamp, with conditions on Nov. 27, 2013), SES Americom, Inc., Application for Special Temporary Authority, File No. SES-STA-20131202-01164 (grant stamp, with conditions on Dec. 24, 2013), Astrium Services Government, Inc., Application for Modification, File No. SES-MFS-20130612-00485 (grant stamp, with condition on Nov. 13, 2013), RigNet SatCom, Inc., Application for Modification, File No. SES-MOD-20131112-00965 (grant stamp, with conditions on Jan. 30, 2014), SES Americom, Inc., Application for Modification, File No. SES-MFS-20130604-00470 (grant stamp, with conditions on Mar. 14, 2014), SES Americom, Inc., Application for Modification, File No. SES-MFS-20130814-00731 (grant stamp, with conditions on Mar. 19, 2014), Globecom Systems, Inc., Application for Modification, File No. SES-MOD-20131105-00937 (grant stamp, with conditions on Mar. 21, 2014), SES Americom, Inc., Application for Special Temporary Authority, File No. SES-STA-20140319-00152 (grant stamp, with conditions on Apr. 4, 2014).



### **Regulatory Fees**

No updates since the *Fourteenth ORBIT Act Report*.

## **II. Views of INTELSAT Parties on Privatization**

The Commission, in response to the Public Notice for this Report, has not received any views directly from the INTELSAT Parties<sup>28</sup> regarding privatization.

## **III. Views of Industry and Consumers on Privatization**

### **A. Intelsat**

Intelsat states that the privatization goals of the ORBIT Act have been fulfilled in that Intelsat: (1) operates as a fully privatized company; (2) no longer claims the privileges and immunities of an intergovernmental organization; (3) is neither directly nor indirectly owned or controlled by any government or former signatory; and (4) is regulated by the Commission on the same basis as the Commission regulates other providers of fixed satellite services.<sup>29</sup>

As further evidence of its transformation to a fully privatized entity, Intelsat states that the Commission has authorized the transfer of control from Intelsat's private equity owners to a public company.<sup>30</sup> Intelsat states that its privatization has had a positive impact on the communications services marketplace, and that it faces numerous and legitimate competitors, including fiber optic cable, broadband-enabled IP applications, and terrestrial wireless platforms.<sup>31</sup> According to Intelsat, it faces robust competition which proves that it does not enjoy any market advantages resulting from its days as an intergovernmental organization.<sup>32</sup>

### **B. Inmarsat**

Inmarsat notes that, in June 2005, the Commission found that Inmarsat had satisfied the requirement to effectuate a substantial dilution of former Signatory financial interests. Inmarsat further states that, shortly thereafter, Inmarsat completed a successful IPO, and that Inmarsat's shares are traded on the London Stock Exchange. According to Inmarsat, no former Inmarsat Signatory owns five percent or more of the company, and the aggregate ownership of foreign governments is nominal.<sup>33</sup>

Inmarsat outlines its investments in new technologies, including its deployment of its fourth generation, Inmarsat 4 (I-4) satellite network<sup>34</sup> and new or evolved services that are being offered through that network. Inmarsat also cites its announced investment in three new Ka-band satellites for a high bandwidth service, the first satellite launched in 2013.<sup>35</sup>

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<sup>28</sup> The INTELSAT Parties are nations for which the INTELSAT agreement has entered into force. 47 U.S.C. § 769(a)(4)(A). Following privatization, the ITSO Agreement defines "Party" to mean a State for which the ITSO Agreement has entered into force or has been provisionally applied. *See Agreement Relating to the International Telecommunications Satellite Organization, As Amended by the Twenty-Fifth (Extraordinary) Assembly of Parties in Washington, D.C. (Nov. 17, 2000), at Art. I (p).*

<sup>29</sup> Intelsat Comments at 1-2.

<sup>30</sup> *Id.* at 2.

<sup>31</sup> *Id.* at 2-3.

<sup>32</sup> *Id.* at 3.

<sup>33</sup> Inmarsat Comments at 1-2.

<sup>34</sup> *Id.* at 2.

<sup>35</sup> *Id.* at 4-5.

#### IV. Impact of Privatization

Section 646 requires that the Commission report on the impact of privatization on U.S. industry, jobs, and industry access to the global market.

##### A. Intelsat

In prior ORBIT Act reports, we acknowledged that Intelsat successfully transitioned from an intergovernmental organization to a fully privatized entity, and that privatization has enabled it to more effectively compete in providing services to U.S. commercial and governmental customers. INTELSAT's privatization enabled it to compete freely for U.S. satellite business opportunities, led to more competitive choices in the U.S. market than existed before privatization, and continues to encourage the development of service offerings to U.S. customers.

As noted in the *Eleventh, Twelfth, Thirteenth, and Fourteenth ORBIT Act Reports*, the Commission received comments alleging that certain practices of Intelsat post-privatization are anticompetitive, and therefore, the market for global satellite communications services is not fully competitive.<sup>36</sup> Intelsat disputed these claims. In response, the Commission stated that going forward, it will consider the appropriate options for addressing the anticompetitive issues raised by commenters, consistent with our jurisdiction under the ORBIT Act and other laws. Many of the same allegations regarding anticompetitive conduct by Intelsat were raised by commenters in the *Third Satellite Competition Report*. In that *Report*, the Commission concluded that additional information was needed before the anticompetitive allegations against Intelsat could be fully addressed,<sup>37</sup> and that this matter would be considered in a further proceeding.<sup>38</sup> Significantly, however, the Commission did not reach a conclusion in the *Third Satellite Competition Report* regarding allegations that Intelsat had engaged in anticompetitive conduct.<sup>39</sup>

Consequently, the Commission committed to conducting a follow-up proceeding, which would allow us to develop a more complete record regarding the anticompetitive allegations raised in the ORBIT Act and Satellite Competition Report proceedings.<sup>40</sup> On June 6, 2013, the Commission released a *Notice of Inquiry* that requested detailed information regarding allegations that certain satellite operators, including Intelsat, are “warehousing” satellite orbital locations and frequency assignments, and foreclosing competitors from purchasing bandwidth capacity on their satellites.<sup>41</sup>

On April 15, 2014, the Commission released an order closing the inquiry, finding insufficient basis on the record for taking further action.<sup>42</sup>

##### B. Inmarsat

From the record, Inmarsat's privatization appears to have had a positive impact on the domestic market.<sup>43</sup> Inmarsat states that it has continued to invest in new technologies for mobile satellite service

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<sup>36</sup> See note 11, *supra* (*Eleventh Orbit Act Report, Twelfth ORBIT Act Report, Thirteenth ORBIT Act Report, and Fourteenth ORBIT Act Report*).

<sup>37</sup> *Third Satellite Competition Report*, 26 FCC Rcd at 17359, ¶¶ 199-202.

<sup>38</sup> *Id.*

<sup>39</sup> *Id.* at 17359, ¶¶ 199-202.

<sup>40</sup> *Id.* at 17286, 17359, ¶¶ 3, 202.

<sup>41</sup> *Issues Related to Allegations of Warehousing and Vertical Foreclosure in the Satellite Space Segment*, IB Docket No. 13-147, Notice of Inquiry, 28 FCC Rcd 8571 (2013).

<sup>42</sup> *Issues Related to Allegations of Warehousing and Vertical Foreclosure in the Satellite Space Segment*, IB Docket No. 13-147, Order, 29 FCC Rcd 4209 (2014).

<sup>43</sup> Inmarsat is the only commenter that discussed with detail the impact of Inmarsat's privatization.



customers.<sup>44</sup> As an example of this investment, Inmarsat points to its \$1.5 billion investment in its fourth-generation I-4 satellite network, which is currently providing mobile broadband services to the United States and globally, including its BGAN service.<sup>45</sup> Inmarsat also describes its \$1.2 billion investment in three new I-5 Ka-band satellites that have begun providing high-bandwidth service offerings.<sup>46</sup>

Inmarsat states that it continues to introduce new services, including its IsatPhone Pro and IsatPhone 2 handhelds and Low Data Rate services. In addition, Inmarsat states that its BGAN service is being utilized in innovative ways by its customers, including in response to recent natural disasters.<sup>47</sup> In this regard, Inmarsat also states that it has a formal agreement with the ITU to help nations better prepare for and respond to natural disasters, and that its BGAN technology has been used to support government and non-governmental organizations.<sup>48</sup>

## V. Summary

The Commission has undertaken a number of proceedings required by or related to the ORBIT Act. The Commission will continue to implement and enforce the requirements of the ORBIT Act. On the whole, we believe that U.S. policy goals regarding the promotion of a fully competitive global market for satellite communications services are being met in accordance with the ORBIT Act. The Commission will continue to inform Congress of the actions it takes to implement the requirements of the ORBIT Act and the impact of those actions in its next annual report.<sup>49</sup>

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<sup>44</sup> Inmarsat Comments at 2, 4-5.

<sup>45</sup> BGAN provides both simultaneous voice and data, globally. <http://www.inmarsat.com/service/bgan/>. BGAN provides voice and broadband service with speeds of almost half a megabit per second using “notebook sized” antennas that are one-third the size, weight and price of traditional Inmarsat antennas. See Inmarsat Comments at 2.

<sup>46</sup> *Id.* at 5.

<sup>47</sup> For example, Inmarsat states that its BGAN technology played a critical role in supporting government and non-government agencies such as Télécoms Sans Frontières and the American Red Cross, as well as international news organizations in response to global disasters including the 2013 Philippines typhoon. *Id.* at 3.

<sup>48</sup> *Id.* at 3.

<sup>49</sup> Note, in September 2013, the United States House of Representatives passed H.R. 2844 to amend the Communications Act of 1934 to consolidate certain reporting obligations of the Commission, including the ORBIT Act Report (Federal Communications Commission Consolidated Reporting Act of 2013, H.R.2844, 113th Cong. (2013)). While the Commission will continue to submit the annual report, unless the provision of the Communications Act requiring submission of the report is amended, we believe this report is no longer necessary in light of the successful privatization of Intelsat and Inmarsat many years ago in a manner consistent with the Act.

## APPENDIX

**Index of Filings**

Comments, filed March 12, 2014

Comments of Inmarsat PLC, available at <http://apps.fcc.gov/ecfs/document/view?id=7521091698>

Comments of Intelsat License LLC, available at <http://apps.fcc.gov/ecfs/document/view?id=7521091630>

**STATEMENT OF  
COMMISSIONER AJIT PAI**

Re: *Report to Congress Regarding the Open-Market Reorganization for the Betterment of International Telecommunications Act (ORBIT Act)*, IB Docket No. 14-13.

Section 646 of the Open-Market Reorganization for the Betterment of International Telecommunications Act (ORBIT Act) requires the Commission to update Congress annually on the agency's progress in implementing the Act, even though that statute's goal—the privatization of the satellite companies INTELSAT and Inmarsat—has long since been achieved.

When we issued the *fourteenth* report last year, I stated that these reports exemplify why I support efforts in Congress to pass the Federal Communications Commission Consolidated Reporting Act. That legislation would modernize and streamline the FCC's numerous reporting obligations. For instance, it would repeal outdated reporting requirements like the one we meet today. It would combine other reports, which would enable the Commission to make better use of its limited resources. It would more closely align the Commission's responsibilities with today's marketplace. And it would give Congress and the public a one-stop shop for (more) relevant and comprehensive data, facilitating better oversight and more informed policymaking.

Since last year's report, the U.S. House of Representatives passed the FCC Consolidated Reporting Act of 2013 by a strong bipartisan vote of 415-0. I'm pleased that this fifteenth report acknowledges House passage of the bill and makes clear that these reports are no longer necessary in light of the successful privatization of INTELSAT and Inmarsat many years ago. But it also notes that we will have to keep compiling and submitting them until the laws requiring us to do so are changed.

I hope the Senate too will pass the bipartisan Consolidated Reporting Act and that it will be enacted into law. Particularly at a time when the FCC must do more with less, we cannot continue to devote scarce resources to preparing a report hardly anyone—if that—will ever read.